

**UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF MISSISSIPPI**

In re:)	Case No. 16-01119-NPO
)	
PIONEER HEALTH SERVICES, INC., <i>et al.</i> ,)	Chapter 11
)	
Debtors.)	Jointly Administered
)	
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)	
PIONEER HEALTH SERVICES, INC.,)	Adversary Proceeding No.
Plaintiff,)	
)	
v.)	
)	
RELAYHEALTH, A DIVISION OF)	
MCKESSON TECHNOLOGIES, INC.,)	
Defendant.)	

**COMPLAINT TO AVOID AND RECOVER FRAUDULENT
TRANSFERS AND TO DISALLOW CLAIMS**

Pioneer Health Services, Inc. (“Pioneer”), on behalf of the Transferring Debtor(s) (defined below), sues RelayHealth, a Division of McKesson Technologies, Inc. (the “Defendant”), alleging the following:

Jurisdiction and Venue

1. This Complaint initiates an adversary proceeding pursuant to Rule 7001 of the Federal Rules of Bankruptcy Procedure and §§ 544, 547, 548, 550 and 502 of the United States Bankruptcy Code, 11 U.S.C. § 101, *et seq.* (the “Bankruptcy Code”).

2. The claims asserted in this adversary proceeding arise under and relate to the Debtors’

jointly administered Chapter 11 bankruptcy cases pending in the United States Bankruptcy Court for the Southern District of Mississippi.

3. This adversary proceeding constitutes a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(F), (H), and (K).

4. This Court has jurisdiction over this adversary proceeding pursuant to 28 U.S.C. §§ 157 and 1334.

5. Venue of this adversary proceeding is proper in this Court pursuant to 28 U.S.C. § 1409.

Nature of the Action

6. This is an action to avoid and recover fraudulent transfers made by the Transferring Debtor(s) and fraudulent transfers made by Pioneer to the Defendant and to disallow any claims of the Defendant until such time as the Defendant pay to the applicable Debtor or the Official Committee of Unsecured Creditors (the “Committee”) an amount equal to the aggregate amount of the avoidable transfers, plus interest thereon and costs.

Parties

7. Patrick is a corporation incorporated under the laws of the state of Mississippi. Patrick owned and operated a critical-access hospital in Stuart, Virginia. Patrick filed Chapter 11 bankruptcy in this Court on March 30, 2016 (the “Common Petition Date”), initiating case number 16-01120-NPO (the “Patrick Case”). The Patrick hospital closed after the Patrick Case was filed.

8. Newton is a limited liability company organized under the laws of the state of Mississippi. Newton owned and operated a critical-access hospital in Newton, Mississippi that closed prior to the

Petition Date. Newton filed Chapter 11 bankruptcy in this Court on the Common Petition Date, initiating case number 16-01121-NPO (the “Newton Case”).

9. Stokes is a corporation incorporated under the laws of the state of North Carolina. Stokes owned and operated a critical-access hospital in Danbury, North Carolina. Stokes filed Chapter 11 bankruptcy in this Court on the Common Petition Date, initiating case number 16-01122-NPO (the “Stokes Case”).

10. Oneida is a limited liability company organized under the laws of the state of Mississippi. Oneida owned and operated a critical-access hospital in Oneida, Tennessee. Oneida filed Chapter 11 bankruptcy in this Court on the Common Petition Date, initiating case number 16-01124-NPO (the “Oneida Case”). The Oneida hospital closed after the Oneida Case was filed.

11. Aberdeen is a corporation incorporated under the laws of the state of Mississippi. Aberdeen owned and operated a critical-access hospital in Aberdeen, Mississippi. Aberdeen filed Chapter 11 bankruptcy in this Court on the Common Petition Date, initiating case number 16-01125-NPO (the “Aberdeen Case”).

12. Medicomp, Inc., is a corporation incorporated under the laws of the state of Mississippi. Medicomp provided physical, occupational, speech and respiratory therapies to Debtors and non-debtors. Medicomp filed Chapter 11 bankruptcy in this Court on the Common Petition Date, initiating case number 16-01126-NPO (the “Medicomp Case”).

13. Early is a limited liability company organized under the laws of the state of Mississippi. Early owned and operated a critical-access hospital in Blakely, Georgia. Early filed Chapter 11

bankruptcy in this Court on April 8, 2016 (the “Early Petition Date”; together with the Common Petition Date, the “Petition Dates”), initiating case number 16-01243-NPO (the “Early Case”).

14. Patrick, Newton, Stokes, Oneida, Aberdeen, Medcomp, and Early are each wholly owned by Pioneer, a corporation incorporated under the laws of the state of Mississippi. Pioneer filed Chapter 11 bankruptcy in this Court on the Common Petition Date, initiating case number 16-01119-NPO (the “Pioneer Case”; the Patrick Case, Newton Case, Stokes Case, Oneida Case, Medcomp Case, Early Case, and Pioneer Case are, collectively, the “Cases”).

15. The Cases are being jointly administered along with the cases of Pioneer Health Services of Choctaw County, LLC, case number 16-01123. The Pioneer Case serves as the lead case.

16. The Committee was duly appointed and continues to serve in the Cases and has standing to bring this lawsuit, but the lawsuit is being brought by the Debtor Plaintiffs at this time.

17. The Debtors remain in possession of their assets and properties as debtors-in-possession pursuant to §§ 1107(a) and 1108 of the Bankruptcy Code.

18. The Defendant provided certain goods and services to the Debtors on credit. Defendant is subject to the jurisdiction of this Court.

Background

19. Within 3 Years of the Petition Date, Pioneer made transfers on account of obligations of the other Debtors and for which Pioneer was not liable (the “Fraudulent Transfers”; the Fraudulent Transfers and the Preferential Transfers are, collectively, the “Transfers”). A detailed itemization of the Fraudulent Transfers, including the amount of each of the Transfers, and the date that each of

the Transfers was made, is attached as Exhibit A and fully incorporated by reference (“Exhibit A”).

20. It is Pioneer’s intention to avoid and recover all preferential, fraudulent, or otherwise avoidable transfers made by the Debtors to the Defendant. Accordingly, Pioneer reserves the right to amend, and have such amendment relate back to the date of the filing of, this Complaint to: (i) include further information regarding the Transfers, (ii) identify additional Transfers, (iii) modify the Defendant’s names, and/or (iv) add additional defendants.

Count One:

Avoidance of Fraudulent Transfers

Pursuant to Section 544(b) of the Bankruptcy Code and MS Code § 15-3-107(m)

21. Pioneer fully incorporates the allegations contained in paragraphs 1-20 set forth above.

22. The Fraudulent Transfers were each an interest of Pioneer in property.

23. The Fraudulent Transfers were made within three years of the Petition Date.

24. Pioneer had creditors in existence at the time of the Fraudulent Transfers and at all times up to the Petition Date.

25. Pioneer received less than reasonably equivalent value in exchange for the Fraudulent Transfers.

26. Pioneer was insolvent on the date that each of the Fraudulent Transfers were made or became insolvent as a result of the Fraudulent Transfers.

27. Pioneer is entitled to avoid the Fraudulent Transfers pursuant to Section 544(b) of the Bankruptcy Code and MS Code § 15-3-107(m).

Count Two:
Avoidance of Fraudulent Transfers
Pursuant to Section 548(a)(1)(B) of the Bankruptcy Code

28. Pioneer fully incorporates the allegations contained in paragraphs 1-27 set forth above.

29. Certain of the Fraudulent Transfers were made within two years of the Petition Date (the Two-Year Fraudulent Transfers”).

30. The Two-Year Fraudulent Transfers were each an interest of Pioneer in property.

31. Pioneer received less than reasonably equivalent value in exchange for the Two-Year Fraudulent Transfers.

32. Pioneer was insolvent on the date that each of the Two-Year Fraudulent Transfers were made or became insolvent as a result of the Two-Year Fraudulent Transfers.

33. Pioneer is entitled to avoid the Two-Year Fraudulent Transfers pursuant to Section 548(a)(1)(B) of the Bankruptcy Code.

Count Three:
Recovery of the Value of the Avoided Transfers
Pursuant to Section 550 of the Bankruptcy Code

34. Pioneer fully incorporates the allegations contained in paragraphs 1-33 set forth above.

35. The Defendant was the initial transferee of the Transfers or the entity for whose benefit the Transfers were made.

36. Pioneer is entitled to recover the value of the Transfers, in the amount identified on Exhibits A and B, pursuant to Section 550 of the Bankruptcy Code.

Count Four:
Disallowance of Defendant’s Claims

Pursuant to Section 502(d) of the Bankruptcy Code

37. Pioneer fully incorporates the allegations contained in paragraphs 1-36 set forth above.

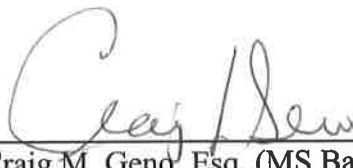
38. The Defendant was the recipient of the Transfers, which are avoidable and recoverable pursuant to Sections 544, 547, 548, and 550 of the Bankruptcy Code.

39. The Defendant has not returned the Transfers to the Debtors or the Committee.

40. All proofs of claim, if any, filed by the Defendant in the applicable Debtors' bankruptcy cases (the "Proofs of Claim"), including claims entitled to priority under Section 503(b)(9) of the Bankruptcy Code, must be disallowed pursuant to Section 502(d) of the Bankruptcy Code until such time as the Defendant pays to the applicable Debtor or the Committee an amount equal to the aggregate amount of the Transfers from such Debtor, plus interest thereon and costs.

WHEREFORE, Pioneer respectfully requests that the Court enter an order and judgment:

- a. avoiding the Fraudulent Transfers pursuant to Section 544(b) of the Bankruptcy Code and MS Code § 15-3-107(m);
- b. avoiding the Two-Year Fraudulent Transfers pursuant to Section 548(a)(1)(B) of the Bankruptcy Code;
- c. awarding Pioneer a judgment against Defendant for the value of the avoided Transfers pursuant to Section 550 of the Bankruptcy Code plus interest and costs;
- d. disallowing the Defendant's Proofs of Claim, if any, pursuant to Section 502(d) of the Bankruptcy Code; and
- e. awarding any other relief the Court deems just and proper.

A handwritten signature in cursive script, appearing to read "Craig M. Geno", is written over a horizontal line.

Craig M. Geno, Esq. (MS Bar No. 4793)

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Attorneys for Plaintiffs Pioneer Health Services, Inc., et al.

EXHIBIT A

Voucher No.	GL Date	Paid by Company	Amount	Vendor	Invoice Date
46363	6/18/2015 17:46	PIONEER HEALTH SERVICES	1,978.80	RELAY 7002871062	4/30/2015 0:00
43599	6/18/2015 16:41	PIONEER HEALTH SERVICES	2,242.64	RELAY 7002871062	4/30/2015 0:00
47242	7/1/2015 13:44	PIONEER HEALTH SERVICES	2,154.70	RELAY 7002871062-2	4/30/2015 0:00
46143	6/17/2015 11:20	PIONEER HEALTH SERVICES	2,008.25	RELAY 7002885090	5/31/2015 0:00
43375	6/17/2015 9:47	PIONEER HEALTH SERVICES	2,276.02	RELAY 7002885090	5/31/2015 0:00
43632	6/19/2015 11:23	PIONEER HEALTH SERVICES	3,061.47	RELAY 7002885090-2	5/31/2015 0:00
49515	7/31/2015 10:49	PIONEER HEALTH SERVICES	2,011.35	RELAY 7002905394	6/30/2015 0:00
46939	7/31/2015 9:55	PIONEER HEALTH SERVICES	2,279.53	RELAY 7002905394	6/30/2015 0:00
51439	8/28/2015 10:55	PIONEER HEALTH SERVICES	2,011.54	RELAY 7002925775	7/31/2015 0:00
56094	11/19/2015 11:48	PIONEER HEALTH SERVICES	2,263.44	RELAY 7002953215	8/31/2015 0:00
56729	11/2/2015 12:32	PIONEER HEALTH SERVICES	2,010.47	RELAY 7002971840	9/30/2015 0:00
58444	11/19/2015 11:43	PIONEER HEALTH SERVICES	2,009.76	RELAY 7003008760	10/31/2015 0:00
56086	11/19/2015 10:32	PIONEER HEALTH SERVICES	2,277.72	RELAY 7003008760	10/31/2015 0:00
56363	11/24/2015 16:28	PIONEER HEALTH SERVICES	3,063.76	RELAY 7003008760-3	10/31/2015 0:00
60760	12/18/2015 15:24	PIONEER HEALTH SERVICES	946.64	RELAY 7003031406	11/30/2015 0:00
58296	12/18/2015 11:24	PIONEER HEALTH SERVICES	2,075.63	RELAY 7003031406	11/30/2015 0:00
58554	12/22/2015 11:09	PIONEER HEALTH SERVICES	2,835.61	RELAY 7003031406-2	11/30/2015 0:00

60783	12/18/2015 16:03	PIONEER HEALTH SERVICES	1,815.48	RELAY 7003031406-2	11/30/2015 0:00
43631	6/19/2015 11:22	PIONEER HEALTH SERVICES	3,016.58	RELAY7002871062	4/30/2015 0:00
47240	7/1/2015 13:43	PIONEER HEALTH SERVICES	2,186.77	RELAY7002885090	5/31/2015 0:00
47463	7/2/2015 10:18	PIONEER HEALTH SERVICES	2,240.32	RELAY7002885090-2	5/31/2015 0:00
49536	7/31/2015 12:36	PIONEER HEALTH SERVICES	2,190.13	RELAY7002905394	6/30/2015 0:00
47061	7/31/2015 15:50	PIONEER HEALTH SERVICES	3,066.19	RELAY7002905394 JUNE	6/30/2015 0:00
49540	7/31/2015 12:45	PIONEER HEALTH SERVICES	2,243.77	RELAY7002905394-2	6/30/2015 0:00
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54168	10/1/2015 11:21	PIONEER HEALTH SERVICES	2,227.93	RELAY7002953215-2	8/31/2015 0:00
56999	11/3/2015 15:19	PIONEER HEALTH SERVICES	2,189.18	RELAY7002971840	9/30/2015 0:00
57151	11/4/2015 12:29	PIONEER HEALTH SERVICES	2,242.79	RELAY7002971840-2	9/30/2015 0:00
59550	12/2/2015 11:50	PIONEER HEALTH SERVICES	2,241.99	RELAY7003008760	10/31/2015 0:00
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61739	1/4/2016 12:26	PIONEER HEALTH SERVICES	1,988.38	RELAY7003031406	11/30/2015 0:00
61940	1/5/2016 13:06	PIONEER HEALTH SERVICES	2,066.52	RELAY7003031406-2	11/30/2015 0:00
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54502	11/2/2015 9:05	PIONEER HEALTH SERVICES	2,278.54	RELAYHEALTH 093015	9/30/2015 0:00

9294	3/2/2014 13:03	PIONEER HEALTH SERVICES	1,642.23	RELAYHEALTH 120513	12/5/2013 0:00
13160	3/25/2014 9:38	PIONEER HEALTH SERVICES	1,882.22	RELAYHEALTH SEPT	9/5/2013 0:00
13868	4/4/2014 12:50	PIONEER HEALTH SERVICES	1,214.89	RELAYHEALTH090513	9/5/2013 0:00
51840	9/29/2015 16:42	PIONEER HEALTH SERVICES	3,044.54	RELAYHLTH 7002953215	8/31/2015 0:00
56766	11/30/2015 10:24	PIONEER HEALTH SERVICES	3,064.85	RELAYHLTH 7002971840	9/30/2015 0:00
53450	9/22/2015 17:17	PIONEER HEALTH SERVICES	1,997.15	RELHEALTH 7002953215	8/31/2015 0:00
			96,491.43		